

This Week in Washington



WITH CONGRESSMAN
JO BONNER

The Urgent Need for Entitlement Reform

This past January, the nation's first baby boomer signed up for Social Security benefits, and 77 million baby boomers, who could qualify for Social Security and Medicare, will follow during the next 22 years. This baby boomer reality underscores the looming crisis for these already strained programs.

Last week, the Social Security and Medicare trustees issued their annual report, which indicates these programs continue to face an ever increasing financial crisis.

The Congressional Budget Office (CBO) has projected that federal spending on Social Security, Medicare, and Medicaid will jump from 8.4 percent in 2008 to 18.6 percent by 2050.

A report published by the CBO in December 2007, "The Long-Term Budget Outlook" states,

"Significant uncertainty surrounds long-term fiscal projections, but under any plausible scenario, the federal budget is on an unsustainable path."

According to the Heritage Foundation, "the coming challenge of paying Social Security, Medicare, and Medicaid benefits to 77 million retiring baby boomers will be one of the greatest economic challenges of the 21st century."

The Heritage Foundation also estimates that without reform, the massive cost increase to provide for the retiring baby boomers will require raising income taxes by at least 120 percent.

It should come as no surprise that the ability of these programs to support the people who depend on them is in serious jeopardy.

Following the release of the trustee's report, Treasury Secretary Henry Paulson said, "Without change, rising costs will drive government spending to unprecedented levels, consume nearly all projected federal revenues, and threaten America's future prosperity."

Continuing to ignore the mounting threat, the House Democratic majority earlier this month passed a fiscally irresponsible budget calling for massive tax hikes while refusing to address entitlement spending.

With a slumping national economy, massive tax hikes are not the solution. In fact, "Americans will work nearly four months of the year, from January 1 to April 23, before they have earned enough money to pay this year's tax obligations at the federal, state and local levels," according to the nonpartisan organization, Tax Foundation.

A long-term effort to slow growth must start now. These programs can be reformed and made more sustainable, but the change must start now.

While these will be difficult decisions to make, the longer the change is delayed the more difficult and stark the reality will be.

Payment Schedules for Economic Stimulus Payments

As many of you know, earlier this year Congress passed an economic stimulus package designed to jumpstart our waning national economy.

There has been some confusion as to who will receive the rebate checks and when they will arrive in the mail.

The Internal Revenue Service (IRS) will begin making payments starting May 2. The last two digits of your Social Security number and whether you opted for direct deposit into your financial account or a paper check will determine when you receive your payment.

Those who use direct deposit will be among the first to receive payments, and paper checks will go into the mail starting May 16. The schedule of payments is as follows:

DIRECT DEPOSIT

Last two SSN digits:

00 through 20 – transmitted May 2

21 through 75 – transmitted May 9

76 through 99 – transmitted May 16

PAPER CHECK

Last two SSN digits:

00 through 09 – mailed May 16

10 through 18 – mailed May 23

19 through 25 – mailed May 30

26 through 38 – mailed June 6

39 through 51 – mailed June 13

52 through 63 – mailed June 20

64 through 75 – mailed June 27

76 through 87 – mailed July 4

88 through 99 – mailed July 11

It is important to remember that if you file your return after April 15, you will still receive your payment, but it will most likely arrive two weeks later than the above schedule indicates. You must file your return by October 15 in order to receive a stimulus payment this year.

If you have at least \$3,000 in certain types of income, you may be eligible for a stimulus payment.

The IRS has posted an online calculator on its website to help you determine the amount you can expect to receive. The calculator can be accessed at www.irs.gov/app/espc .

My staff and I work for you. If we can ever be of service, do not hesitate to call my office toll free at 1-800-288-8721.

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For release the week of Monday, March 31, 2008. For more information please contact Mike Lewis at (202)225-4931.